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§15–114.

(a) In this section, “related institution” includes any of the following facilities, as classified from time to time by law, rule, or regulation:

- (1) A comprehensive care facility;
- (2) An extended care facility;
- (3) An intermediate care facility; and
- (4) A skilled nursing facility.

(b) This section applies only to the extent that federal funds are available for reimbursement under this section.

(c) Except as provided in subsection (f) of this section, and in accordance with subsection (e) of this section, the Department shall reimburse each hospital–based related institution that:

- (1) Is a distinct part of an acute or chronic hospital; and
- (2) On and after July 1, 1980, is licensed as a related institution.

(d) (1) The Health Services Cost Review Commission shall determine rates for fiscal years 1986, 1987, 1988, and 1989 for purposes of the reimbursement formula established under subsection (e) of this section and shall inform the Department of the reimbursement rates prior to the beginning of the respective fiscal year.

(2) The rates determined by the Health Services Cost Review Commission under this section shall be the rates that would have been in effect during the respective fiscal year if the hospital–based related institution had remained under the full rate jurisdiction of the Health Services Cost Review Commission.

(e) The reimbursement required by this section shall be in accordance with the following formula:

(1) For the period from July 1, 1985 through June 30, 1986, a per diem rate calculated as the sum of:

(i) 80% of the rate determined by the Health Services Cost Review Commission under subsection (d) of this section; and

(ii) 20% of the per diem rate of the hospital-based related institution determined under the Program regulations applicable to skilled and intermediate care nursing facilities.

(2) For the period from July 1, 1986 through June 30, 1987, a per diem rate calculated as the sum of:

(i) 60% of the rate determined by the Health Services Cost Review Commission under subsection (d) of this section; and

(ii) 40% of the per diem rate of the hospital-based related institution determined under the Program regulations applicable to skilled and intermediate care nursing facilities.

(3) For the period from July 1, 1987 through June 30, 1988, a per diem rate calculated as the sum of:

(i) 40% of the rate determined by the Health Services Cost Review Commission under subsection (d) of this section; and

(ii) 60% of the per diem rate of the hospital-based related institution determined under the Program regulations applicable to skilled and intermediate care nursing facilities.

(4) For the period from July 1, 1988 through June 30, 1989, a per diem rate calculated as the sum of:

(i) 20% of the rate determined by the Health Services Cost Review Commission under subsection (d) of this section; and

(ii) 80% of the per diem rate of the hospital-based related institution determined under the Program regulations applicable to skilled and intermediate care nursing facilities.

(5) Beginning July 1, 1989, the Department shall reimburse at rates determined under the Program regulations applicable to skilled and intermediate care nursing facilities.

(f) (1) In this subsection, “management firm” means an organization that:

(i) Is intended to have or has full responsibility and control for the day-to-day operations of a nursing home or related institution; and

(ii) Is under contract with:

1. An applicant for a license from the Secretary to establish, operate, or continue the operation of an existing nursing home or related institution; or

2. A holder of a license from the Secretary to operate a nursing home or related institution.

(2) The Department may not reimburse a nursing home or related institution if the nursing home or related institution or a management firm of a nursing home or related institution knowingly employs or retains as a consultant an individual who, for an activity described in § 9–314(b)(8), (9), or (10) of the Health Occupations Article, has:

(i) Surrendered a nursing home administrator license under § 9–313 of the Health Occupations Article; or

(ii) Had a nursing home administrator license revoked under § 9–314 of the Health Occupations Article.

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